



Second Session, 38th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

SELECT STANDING COMMITTEE ON
**FINANCE AND
GOVERNMENT SERVICES**

Victoria

Tuesday, July 11, 2006

Issue No. 21

BLAIR LEKSTROM, MLA, CHAIR

ISSN 1499-416X

**SELECT STANDING COMMITTEE ON
FINANCE AND GOVERNMENT SERVICES**

Victoria
Tuesday, July 11, 2006

Chair: * Blair Lekstrom (Peace River South L)

Deputy Chair: Maurine Karagianis (Esquimalt-Metchosin NDP)

Members: Harry Bloy (Burquitlam L)
* Dave S. Hayer (Surrey-Tynehead L)
Gordon Hogg (Surrey-White Rock L)
* Richard T. Lee (Burnaby North L)
John Yap (Richmond-Steveston L)
* Leonard Krog (Nanaimo NDP)
* Jenny Wai Ching Kwan (Vancouver-Mount Pleasant NDP)
Nicholas Simons (Powell River-Sunshine Coast NDP)

**denotes member present*

Clerk: Josie Schofield (Acting Committee Clerk)

Committee Staff: Jonathan Fershau (Committee Research Analyst)

Witnesses: Hon. Carole Taylor (Minister of Finance)

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MINUTES

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES



Tuesday, July 11, 2006

9:30 a.m.

Douglas Fir Committee Room
Parliament Buildings, Victoria

Present: Blair Lekstrom, MLA (Chair); Dave S. Hayer, MLA; Leonard Krog, MLA; Jenny Wai Ching Kwan, MLA; Richard T. Lee, MLA

Unavoidably Absent: Maurine Karagianis, MLA (Deputy Chair); Harry Bloy, MLA; Gordon Hogg, MLA; Nicholas Simons, MLA; John Yap, MLA

1. The Chair called the meeting to order at 9:36 a.m. and welcomed Hon. Carole Taylor, Minister of Finance.
2. The Minister of Finance briefly addressed the Committee on the topic of the budget consultation process and answered questions from Committee Members.
3. **Resolved**, that the Committee meet in-camera to review the preliminary public hearing schedule for the upcoming Budget 2007 consultation process. (Leonard Krog, MLA)
4. The Committee met in-camera from 10:24 a.m. to 10:46 a.m.
5. The Chair and Committee Members approved the preliminary public hearing schedule for the fall. The Chair directed that the Office of the Clerk of Committees proceed to make the logistical arrangements.
6. The Chair informed Committee Members that a schedule would be prepared by early September regarding the presentations of the statutory officers' budget submissions.
7. The Chair noted receipt of the report of Grant Thornton, the independent auditor of the Office of the Auditor General. He announced that the report would be distributed electronically to the Committee Members for review at a later date.
8. **Resolved**, that the Committee do now adjourn. (Dave Hayer, MLA)
9. The Committee adjourned at 10:48 a.m.

Blair Lekstrom, MLA
Chair

Josie Schofield
Acting Committee Clerk

TUESDAY, JULY 11, 2006

The committee met at 9:36 a.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): ...learned during the last year in the tour that we had. With that, what I'm going to do is possibly ask the minister just to give a couple of brief comments about the paper, your plan on developing it, and then I will open it up to committee members for questions. Following that, we do have a couple of other items on our agenda that we have to deal with.

With that, welcome to the hon. minister — Carole. I hope your summer is going well, and thank you so much for joining us here today.

Presentation by Minister of Finance

Hon. C. Taylor: Thank you, Mr. Chair.

I'm pleased to do this meeting in this order because I specifically have not yet had any conversations within the department about how we will form the consultation paper. I wanted to hear from the committee first in terms of any ideas you've had before we decide how to go forward.

Last year, obviously, was difficult for everyone to get around to all the places you would like to get to, because of the legislative session. I know it made it quite difficult since we were in the House with a new budget and out in the community talking about a second budget.

I would think that this fall we will have the opportunity to do it in a way that probably satisfies all of us more. My priorities in terms of consultation remain the same as last year: to make sure we get around the province and do it regionally so that everyone feels they have some say, and not just the lower mainland; to reach out to our multicultural communities and make sure that they are pulled in and involved in the process; and to make sure that we are encouraging a conversation.

I know that last year I was very specific in the way we changed the questions on the consultation paper. I didn't feel comfortable just saying to someone, "What is your priority?" because that does not pull them into the complexity of budgeting if you just say: "Where do you want to spend more money?" There are so many balancing and competing imperatives for us as we build the budget that it's important, I think, that the community gets involved in trying to do some of that hard work with us.

Really, I appreciate this chance to hear from you what you felt worked or didn't work last fall, and any suggestions that you might have in terms of how we present it. We're also hearing from some community groups in terms of how they think that it perhaps should be changed or how we could do it better.

The other thing that I would like to say is that if I have the chance this fall, I would like to do what I wasn't able to do last fall, which is to get out as well. I had considered last year, if we hadn't been sitting,

that I would like to get to certain major areas that you're visiting a week ahead and be able to perhaps do a phone-in talk show or do something that talks to the community about what we're trying to do and invite them to attend your meetings. I would like to do something that helps support your work and pull people into visiting when you come to their regions.

I would like your comments on that too — whether you think that's a good idea or not. But mostly I would just like to hear from you if you've got any suggestions as to how we can do it better.

B. Lekstrom (Chair): Thank you very much, minister. That really is the gist of the meeting today. So again, I thank you for coming. We do have some questions. I'll begin with Dave.

D. Hayer: Thank you very much, minister.

I think if we can get some more attention to our committee when it is visiting different towns, it would be a really good idea. Many times we've been hearing that they didn't get the notice, it wasn't advertised or they couldn't hear about it. If somehow this can get more coverage, at least they will not be able to say that they were not aware that the Finance Committee was visiting.

[0940]

The second part is: if we can maybe get dates selected earlier and advertised, that will help too.

The other part. With different media, you had the questionnaires translated into many different languages. Will you still be doing that? Will you still be sending it out so they can send some information back to the Finance Committee? Last time we had told people that they could send it in Chinese languages if they liked, or in Punjabi, and that we had people who could translate it. But mostly everybody submitted it in English. There was also some newsletter information that went in the media, or maybe it was sent to the household. Will that also be done?

Hon. C. Taylor: It is essential that we do this and make sure that we translate the materials.

I would like any comments you might have, Dave, since you're so involved in multiculturalism as parliamentary secretary. Did we do the translations in a way that worked, or is there anything we could improve on there?

D. Hayer: Overall, it was considered very positive. I think there are some other languages that, maybe if we have time, we can also cover them — like Korean and some other ones. We can take a look, and that will help. Mostly I heard a lot of positive input. They said some people whose first language was not English were able to read it and provide input. They are paying taxes, and at least they felt they were able to provide input into decisions we were making and what we are recommending to the Finance Committee and to the Finance Minister.

R. Lee: Just following up on Dave's idea. If you have the translated copy of the questionnaire in a

newspaper — say, for example, in the major ethnic newspapers — then maybe the response would be more. The newspapers reach more readers.

As well on the questionnaire, I remember one of the questions saying: "In three years, in 2008" — I'm talking about a questionnaire last year — "what will you do if there's a surplus?" This means three years away. People are usually thinking about one year: "If you have a surplus in one year, what will you do?" Thank you.

Hon. C. Taylor: I'm not sure if you're suggesting that we pull in our sights into just one year, like what you want to do next year with the budget rather than trying to get people thinking longer term. Is that your question?

R. Lee: The question is on the surplus: "If there is a surplus, what would you spend it on?" You're asking people if they want to pay down the debt. It means that if the question is for the surplus three years down the road, then the questions would be less relevant.

I think in people's minds.... They would like to see: "Next year if there is a surplus, then what do you do with the surplus?" Not three years down the road, how to use the surplus for next year.

J. Kwan: Mr. Chair, I apologize for arriving late. I had forgotten my key in my office, and I couldn't get in. Anyway, security was there to help, and I managed to get in.

Thank you to the minister for coming before the committee with the presentation, and I note that the committee was called in a very rapid way in terms of the timing. It was difficult for some members to attend, and perhaps that explains the lack of attendance at this committee. Suffice to say, that's not our normal way of functioning.

Having said that, I just want to say, in terms of some suggestions.... In fact, after last committee's work we actually sat together and talked about some of the ways to improve the process that we have embarked on. Aside from the time line question, which was very tight, as you have noted, for committee members and, more to the point, for the community to participate in — that was one aspect of it — there were other issues that surfaced as well.

We note in the process of our consultation that certain organizations and associations, if you will, always manage to participate. Yet, there was also the question from the committee's point of view of whether or not the broader public had the opportunity to participate in the budget consultation.

[0945]

To that end, particularly, the committee had identified a couple of sectors, if you will. One involved the multicultural community in terms of people with language barriers. The committee thought that it would be useful and wise to perhaps hold some committee meetings that provided for translation while we were having the meeting, so that people could come and participate in that format.

The other piece that we noted in terms of lack of participation would be from aboriginal communities. There were very few aboriginal groups that provided input into the budget consultation, and we were looking to see how we could enhance that participation in this round of consultation through the Finance Committee.

Another sector that we note that lacked input into the committee involved individuals from the very marginalized communities. There was a suggestion, for example, that we actually have a hearing, perhaps in the downtown east side, that would facilitate the people who wouldn't otherwise get to such a hearing to provide their input. These were some examples which we entertained.

There were also other suggestions on the format in terms of the leaflet itself and the way it is constructed. There were questions as to whether or not the way the questions were put to the community at large led the community to respond in a certain way and therefore may not necessarily broadly reflect the views of the public.

When we were out there listening to the community, as they came forward to make their presentation, many of them actually didn't follow that format, as it were. They tried to sort of present the issues that they wanted to bring to our attention. So there were some questions as to the leaflet that came out of the Ministry of Finance: whether or not that is actually the best way to elicit the kind of broad consultation and response that we were hoping for from the community around their view of budgeting and input for the minister's consideration. That was something else that we were looking at to see what other format this committee could engage in, in terms of eliciting input from the community.

Lastly, we actually heard.... I hear it from time to time outside of the committee as well. People talked about how useful it would be for the minister — yourself, for example — to actually participate in these hearings. I would imagine that it would be very well received in the community if there's a way to really generate participation in the broader public and the appreciation of the public. For the minister to receive first hand the presentations from the community, I think would speak well to enhancing the process.

If the minister is giving consideration to how the process could be enhanced to encourage and increase participation, I would suggest that one possibility for consideration would be for the minister to actually come to some of these hearings — first advertising and letting people know that you'd be there to listen to them on the ground. I think that would be very useful and helpful as well. I think that would be helpful for the minister, as well, to get that sense of the community, of the grass-roots level, in terms of what people are saying as we have the benefit of absorbing it as part of the committee.

These are just some of the suggestions. I know that the committee will continue to grapple with changing the process in a way that would best meet the needs of the committee and, more to the point, the needs of the public in terms of their level of participation and the value, therefore, of the input for the minister as she prepares for the budget.

B. Lekstrom (Chair): Thank you, Jenny. I have Leonard next on the list.

L. Krog: Thank you, Mr. Chair. Firstly, to the minister: thank you for being here this morning.

As many have heard me say from time to time, I represent the third-poorest constituency in the province. My friend the member for Vancouver–Mount Pleasant has the distinct dishonour, if you will, of representing the poorest, I suppose. What comes up over and over again in my discussions with community groups is the issue of housing — the lack of affordable housing, the lack of assisted housing.

[0950]

I think it is the generally agreed key to dealing with addiction problems and those who although not institutionalized, obviously, suffer from some degree of mental illness and require assisted living. The lack of affordable housing contributes to health care costs. It contributes to policing costs. I'm not suggesting that the mere provision of housing in and of itself is going to significantly reduce those costs, but it is bound to have an impact overall on the budget that you have responsibility for.

I think and believe, as Jefferson did, in the common sense and the goodwill and intelligence of the people. The questionnaire, I think, obviously has some general questions. I expect that. But it may be time to consider a questionnaire that is somewhat more specific, much like a census form that deals with some very specific issues, suggested alternatives, so that people will have a very direct and easy way of giving their views to government on these things.

One of the concerns that I have, having sat on this committee last fall and during the public sessions, is that clearly, for many of those who are most disadvantaged, government is much more important than it is for the average middle-class British Columbian who is enjoying the benefits of a good economy. It's very clear that they have neither the funding nor, often, the energy or the ability to make the kinds of presentations to the committee that I think would have a significant impact on social policy.

This is particularly true, as my friend the member for Vancouver–Mount Pleasant has pointed out, with respect to the aboriginal community. Many of those communities are deeply involved in a treaty process, deeply in debt already, trying to participate effectively in that process. Frankly, the prospect of getting together a presentation for this committee is just one more daunting task on the road to achieving some kind of economic and social justice for themselves.

My long-winded suggestion to the minister is that you seriously consider some specific questions around the issue of housing, because I think it is key. I think, and I'm sure the minister agrees, it is entirely unacceptable that we have the number of homeless that we do in British Columbia, the number of people literally living on our streets, when we enjoy such a prosperous economy. And of course, it's a double whammy. The prosperity of the economy and the increasing housing

costs just means that those who are at the bottom are in even worse shape now than they were five, ten and 15 years ago.

I hate to say this, but I think it's quite fair to say that a person on social assistance in this province was way better off when Grace McCarthy was the minister than they are today. For me, as a member of this committee, as a representative of thousands of voters in Nanaimo, that is absolutely unacceptable, and I suspect the minister has some sympathy for my position.

Again, I would hope that that will be part of this process — that we consider a broader questionnaire, if you will — because the opportunity to actually hear from British Columbians is limited by time.

A number of organizations come out repeatedly. They have executive directors. They have budgets. It's the B.C. Chamber of Commerce; it's the new car dealers and those associations. But for some of the smaller groups, it's a little more daunting. So if we are to actually provide meaningful feedback to the minister and the government about priorities, then we have to really redouble our efforts. It isn't just about getting to the smaller communities. It is about giving opportunities to those who really need an opportunity to speak — in other words, to give voice.

My sense is that if you're not enjoying the benefits of the economy today, you're not likely to enjoy them tomorrow. Nothing is going to change unless the government does something positive, whether that is... It's not just a question of raising social assistance rates, because realistically, I suspect landlords will eat up any increase. It is about coming back to the point of housing.

I appreciate the concerns also raised this morning by other members of the committee around the outreach to the multicultural community. Listening to the CBC coming down this morning, it's the Peter Gzowski golf tournament to raise money to fight illiteracy in this country. When the figures indicate that something like 15 percent of the adult population in this province is essentially functionally illiterate, and when you include those who have serious problems, it's fairly clear to me that those people are not going to get represented at this committee and during its hearings. They are not going to be writing presentations. They are not going to be banging off e-mails by way of submission.

[0955]

I think it is even more important, when you consider the problems those people face coupled with addictions, poverty generally, lack of housing. If we're really going to achieve something positive in one of the wealthiest parts of the world, then let us make this whole process more open to the public and more accessible.

I want to think that this committee and the questionnaire, if properly structured and if some outreach and funding were provided to get out in the streets of this province and literally ask the people who are living on those streets what it is that they see as their needs — not just expect them to be represented by poverty groups or to be represented by the so-called experts in our society.... I don't think we've made a lot of progress. Indeed, I would argue that we are worse

off today in terms of social justice than we were 15 and 20 years ago.

I idealistically hope that this committee will be the vanguard of making some genuine progress to address the serious issues that this province faces which, as I say, I think are absolutely unacceptable on this part of the globe.

Here endeth my lesson. I apologize for being long-winded, but I note the minister listened intently, and I do appreciate that obvious interest. Thank you.

B. Lekstrom (Chair): Thank you, Leonard.

I do have two other speakers. I'll go to Dave next.

D. Hayer: I just want to say that there seems to be with many communities a sense that we finished the Finance report and then, over the last few months, people have been telling me, "When you see the Finance Minister, can you tell her our appreciation in having the stability in our labour contracts" — where you have signed with over 300,000 people there. They used to say there should be a reasonable increase given to the workers, the government employees — which you have done. That was something recommended to the committee.

Also, for the last three years I've been with the Finance Committee, travelling in the province and listening in many small towns, including visiting Nanaimo before. One thing I was really happy to see is that not only did we have the businesses there, we also had many people from small organizations: from women's shelters, from students — they're talking about what's affecting students, what's affecting the teachers or the professors — to many different special organizations.

I think many times what we missed was the people in the middle income. The result was a lot of representation of people talking about the bottom line. I think one of the ways.... I want to thank you, also, for your SAFER program you provided for the housing. Many people are thankful. I went on a radio program and talked about it, and I still get called about the SAFER program.

Also, no provincial income tax for anybody making less than \$15,500 or \$16,000. That was a really good initiative to say that people with low income don't have to pay provincial tax in British Columbia. Many of the people on the lower end are appreciative of that. We still need to do more, and we'll keep on doing it. I presume the Finance Minister will keep that in mind.

Also, we have to make sure we don't forget the people in the middle income. When I go around British Columbia as the Parliamentary Secretary for Multiculturalism and Immigration and visit the small towns, they always say: "It's the middle income that the government seems to forget. Everybody else seems to get enough attention in there." That's the message that I hear constantly. I want to make sure that I pass it on.

There are many organizations that do represent the people who might be considered on the bottom end, whose cases are made to the Finance Committee. They have provided input through e-mails, the fax system, letters and also attending the committees. I'm happy to

say that we will be getting more coverage, because you're also going to try to go out and talk to people.

Only one part.... If you're on the same committee we are, many times we don't have enough time to ask questions. If you're also sitting there, they're asking all the questions, and then the committee members might not get a chance to ask enough questions. Maybe we have to find a way so that the committee is still relevant. Otherwise, you might not need the committee. At the same time, maybe you can go separately, so they can have a chance to talk to the Finance Minister directly either through radio programs or some other functions so that the committee can still keep on doing the work. Thank you very much.

B. Lekstrom (Chair): Thank you, Dave.

Just before I go to Jenny, one of the things you had mentioned, Jenny, and just for the record, I think we are at about 13 days advance notice for the meeting. I only heard back from one individual on the committee that was actually out of the country and wouldn't be here. So we will follow through as to this, but I think the members who are here have some very good questions, and we'll move on that.

Just for clarification, I wanted to make sure that we reaffirm that people got it. Two weeks — although it's in some cases maybe not the greatest notice, it's very difficult through the summer to pull meetings together. Particularly when the development of the prebudget consultation paper is about to begin, I thought it was appropriate that we get to the minister as quickly as possible.

With that, Jenny, you had a question.

[1000]

J. Kwan: Thanks very much. I won't be tempted to enter into a debate whether or not it'd be a good thing for the minister to actually be at committee meetings. I've expressed my view, and I'll just leave it at that, and the minister can judge for herself whether or not that's worthwhile.

I'm going actually to focus in on a little bit about the questionnaire. Perhaps consistent — it appears to me — with the minister's past practices, at least for the last two budgets, there tend to be themes that emerge. The first budget that the minister advanced centred around seniors. The minister called it the seniors budget. The second budget, which we just dealt with in this last session, the minister called a children's budget. So I'm noting themes that are emerging from the minister's budgets.

If that's the trend which the minister is going to follow, I think it'd be very useful to ask some questions, even though it's after the fact with these budgets, on whether or not the seniors budget actually serviced the seniors in the way that they hoped for. In terms of the utilization of the dollars from the provincial coffers, have they gone into the areas that best assisted them? What other areas have been missed, in terms of the budgeting process, that would further provide support to our seniors, for example? Likewise on the children's budget, the same kinds of questions that are asked by the community, for their response.... You get an

understanding of how the previous budget worked for them.

If there is a theme that might be emerging for future budgets, the minister may contemplate asking some questions centred on that theme to elicit, perhaps, some response from the public on what would work best for them, would best benefit them in terms of spending the provincial dollars.

For example, in the children's budget, in the one aspect the minister targeted: the Ministry of Children and Family Development. On the other side, we also note, for example, that British Columbia now has the highest rate of child poverty. So from a budgeting point of view, what would actually assist to target these issues that impact children and families that are facing poverty, for example? Housing, I suspect, is one component of it, but the poverty question is a very broad one and a big one. I think that it would be useful to focus on questions in those kinds of areas, from the general public and not necessarily from organizations, in terms of what would best assist them and support them and would actually enhance their quality of life.

We often say this, and the minister and the government say this all the time: the economy is performing really well. The real question, then, becomes: when the economy is performing well, what can government do to ensure that the benefit goes to ordinary British Columbians? How can government enhance their quality of life — make life a little bit better and easier for them, for example?

I think it would be really useful and helpful to understand that and, also, to understand from the point of view that for British Columbians — average British Columbians... Are they paying more today for the services that they had been getting? If so, how could the government assist to ease the burden that they face with the increased costs and fees and so on?

I think it would be useful, even, for the Finance Committee to receive the information from the ministry as we embark on this work, for us to get some information from across government — how many fees have been put in place for different British Columbians, different taxes that have perhaps increased or decreased — so that we get a sense of it and how it is impacting the average person in a more global context.

I know there's some information that's put forward in terms of tax rates and so on — those are favourite numbers that get put on budget documents — but there are other things that are not put in the budget documents. Perhaps that background information would be very useful to help guide the Finance Ministry's work and even the public: some information around changes in the fee structures that have applied to regular people, whether it be MSP premiums or Pharmacare costs or whether it be around tuition fees or things like ICBC costs, electricity rates, Hydro rates or whatever the case may be — everyday things that impact an everyday person and everyday families.

[1005]

I think that also would be very useful as the minister prepares for her budget: to get a full sense of what

life is like for the average person, for the average working person, for low-income people as they try to meet the different challenges that they face every day.

R. Lee: I have a question regarding.... Through to the minister: it's very successful for the minister to settle those agreements with the unions. But in the overall society in B.C. we have a lot of non-profit organizations. They have staff — sometimes unionized, sometimes non-unionized. Right now if the unions have some contract with the government, then they got a raise. However, there was some comment that because of.... Some non-union workers right now don't get the benefit of the negotiation.

The suggestion is: I know that it is enough for the minister to dictate what grants should be utilized sometimes, but if there is a component there to recognize the increase of benefit for the differentiation between two sets of workers, that would be appropriate.

I think this is only a suggestion. How to do it, I don't know. But it is a suggestion on how to balance the benefit for the workers.

B. Lekstrom (Chair): One thing: I note our discussion is getting very broad here versus the real discussion point with the prebudget consultation paper that the minister is mandated by statute to put together. The intent of our committee was really to focus on that paper. Can we build on that — what we've learned last year and over the years — to make it even better?

If we can just refocus. I know our time is very short here today.

D. Hayer: I was actually just going to follow what the member from Vancouver east said.

About two or three years ago Gary Collins gave us one presentation that showed the overall tax effect for British Columbia over the last three years at that time. Maybe we can have one report from the Finance Committee to see the overall effect of where we're sitting compared to the other nine provinces. There might be some old presentation that we can go back and take a look at. I think there was a briefing provided to media and, also, to government members and, generally, for the public that showed the effect of all the increases in fees as well as the changes that were made in taxes. That allowed us to compare the net effect on ordinary British Columbians — worse now, or worse in 2000-2001?

Maybe for the Finance Committee's purpose, something like that can be prepared over the next three or four months. It might be a good idea.

B. Lekstrom (Chair): I see no further questions right now of the minister, but as Chair I do want to make a couple of comments. I've had the privilege to chair the Finance Committee, I believe for four of the last six years. I've watched it grow from 2001. I've watched the public's interest in the committee grow.

I think people probably go into this with some trepidation. I think the history of governments in the past, and I mean all governments.... People have gone

to committees. They have participated in committee hearings, only to see nothing happen with that work. I think the all-party committee of this Legislature, particularly since I've become involved.... That's all I can speak to. Since 2001 I have seen the committee travel to different areas of our province, and meet with all sectors of society. Although we can grow on that, as has been indicated here today....

Probably the most overwhelming response I've had from people is that they are very happy with the fact that although not every recommendation the committee puts forward to the Minister of Finance is acted upon, a good many of them are. I think even as committee Chair I can't expect that if we make ten, 15 or 20 recommendations, every one of those could be included in a budget.

As Chair of this committee I realize that this is one tool that you use, minister, in developing the budget. But I have seen some tremendous work, and I think that says a lot about an all-party committee. This is not just members of the government side or the opposition side. This is a committee comprised of both.

[1010]

We go out. We hear varying aspects of the needs of people in British Columbia, and then we come together to draft a report that is presented to the Legislative Assembly. I believe that without exception, in my involvement, it has been a unanimous proposal to the Legislative Assembly.

Although we're talking here about how we can improve it, I think what we're doing is talking about how we can improve an already good system to make it even better. I want to thank you for the effort that you've put in. We certainly look forward to going out this fall and completing another report by the 15th of November.

Having said that, I see I may have sparked another question. I will go to Jenny.

J. Kwan: I apologize, Mr. Chair. No, you didn't spark a question from your very succinct comments, which are always welcomed by this committee. But I did neglect to say this when I made my comments earlier. I just recalled that the watchdog of the Legislature, as the minister knows, comes before the Finance Committee and presents their budget request to the committee. Then the committee examines the information, deliberates and makes a recommendation to the minister.

I know that in the last budget process the Auditor General made a request to the committee to increase his funding and, more particularly, the portion to increase funding to do two risk audits. That would allow for the Auditor General's office to examine, particularly, areas the government has embarked on that may have significant implication for British Columbians in terms of potential policy change and so on, and to see how well the government is managing that process — and whatever topic they end up picking. I'm not specifying what topic they should be picking. They were only asking for money for two risk audits to be done from that office. It was rejected, and ultimately the budget did not reflect that increase.

The then Auditor General went on to say that without that funding they could not actually do their job effectively as the Auditor General of British Columbia. That concerns me greatly. I think it may well be worthwhile to put in the questionnaire a question to British Columbians about the investment that governments make in our watchdogs, particularly the Auditor General and the spending of, I think it was, about \$500,000 per risk audit that the Auditor General was asking for — I stand corrected on the number; I haven't looked at that document for some time now — and whether or not that's wise for the government in this upcoming budget to invest that kind of money for the Auditor General to do that kind of work on behalf of British Columbians. I think that would be very useful and helpful, as well, to guide the minister with respect to that.

The other question that comes up, of course, is the Olympics. Everybody's eyes are on the Olympics and the Olympic spending. As we note, currently the audit of the Olympics is done through an agency that's chosen by VANOC. Over the years there has been some debate about whether or not — and, certainly, it's my view — it would be appropriate for the Auditor General to be the official auditor of the Olympic Games, just so that British Columbians can get the full confidence that the games are being managed well and are being managed well financially.

The question I would like the minister to entertain, to put on the leaflet, is to ask British Columbians whether or not they think that the Auditor General of British Columbia should be the official auditor for the Olympic Games and whether or not they think that's a wise move. I think some of these questions around accountability would be key. To get some feedback from the public on what their thoughts are around accountability measures and government's investment in that process would be very useful and helpful, as well, to guide the government and the minister in her work.

B. Lekstrom (Chair): All right. In moving that forward.... I know, Jenny, we've had that discussion before, and it certainly was raised with the Auditor General previously. But to make sure — and certainly we are in public session now — that the Auditor General, on behalf of British Columbians, does have the ability to follow all \$600 million that is put forward on behalf of the province at this point.... He can follow that money today.

[1015]

Again, pointing out that I believe we have three or 20 board members on VANOC at this point, I don't believe that as a committee or a government — I stand to be corrected — we would have the ability to impose who they chose as an auditor. I believe it's Ernst and Young now, a reputable organization. But the Auditor General, on behalf of British Columbians, can and I'm sure will look — and has looked — into portions of the Olympics and the full \$600 million that is put forward on behalf of the taxpayers.

J. Kwan: Thank you for that, Mr. Chair.

Of course, the challenge for the Auditor General's office is the financing of that audit, and they can't even get money to do two risk audits in other areas within government let alone to take on a project as large as this. Yes, they have the authority to do so, but I think that they are very challenged in terms of the financial aspects of it — whether or not they could do that.

But the real question, and what I'm trying to get at, is this. If we're going to go through a consultation process to seek the opinions of British Columbians, I think it will be worthwhile to find out from British Columbians, as best we can, what their views are with respect to the accountability process that has been put in place regarding the Olympics and whether or not they think there would be value in having the Auditor General be the official auditor of the Olympic Games, for example.

Another example would be the investment and the dollars that are spent on behalf of taxpayers in the Auditor General's office. Is it worthwhile to do risk audits in certain areas to which the government is changing the approach to managing service delivery within government? Are they managing that well? For example, is it a good investment, from an accountability point of view, for the Auditor General to get that kind of funding to do his work?

These are the kinds of questions for the minister to consider putting on the questionnaire that I think would be helpful to guide the government and the minister in her work.

B. Lekstrom (Chair): All right. As a committee, following November 15, upon deposit of our report, we will be meeting with all of the independent officers of the Legislature to again put forward our recommendations and report on budgetary issues for those independent members.

J. Kwan: This is within the committee but not for the public?

B. Lekstrom (Chair): At the present time.

Dave, one more question. Then we will wrap up and move on to the next portion of the agenda.

D. Hayer: Just looking for clarification from the Chair regarding the comments from the member for Vancouver-Mount Pleasant regarding the Auditor General's budget. If I remember correctly, didn't we say that if they need more money, they can come back to the committee, and we will look at it? Am I wrong on that or...? I'm just trying to think of that. They're asking for the budget, and we should.... If he needs more money, he can always come back.

B. Lekstrom (Chair): The process is that this committee entertains the service plans and the budget proposals of each independent officer of the Legislature. We then make a recommendation, which is put forward to government.

At any time through the year should any independent officer of this Legislature require the opportu-

nity to meet with this committee to address budgetary concerns, they have that full ability, at which time we as a committee can make further recommendations if we see fit.

The process, I think, works quite well. We had a full discussion, and I'm sure, like all committee members, we look forward to hearing from the Auditor General this year. With a new person in the position, I think it will have the opportunity for them to have a look at it, give us their views. Again, I think it's going to be a process that's very worthwhile.

Minister, I believe that is probably going to conclude the issue that we have today, and I want to thank you for your time. I know that you don't have a great deal of it at this point, but you've put in a lot of long hours over the last number of months. On behalf of our committee I want to thank you for coming to listen to our ideas today. I know that you're always open to that. With that, again, before I close, I would ask if you have any comments to the committee.

Hon. C. Taylor: I would like to express my appreciation for the work that the committee does. It's quite a demanding challenge that you've taken on, and we certainly all appreciate the seriousness with which everyone has approached this job in the past.

I do want to reconfirm that it's essential that we have a separation between the Minister of Finance and the committee of the Legislature, and so, where there are ways that I can be supportive or add value, I am anxious to do that. But I do want to ensure that the committee stands alone as a very important multiparty committee and has its own integrity and independence. I think we all have to remember the difference in our roles here.

The agenda item today was: how can we improve the budget consultation process? I do believe that as you have said, it is a good process. I have looked back over past experience, and it seems to me that we are improving every time we go out in terms of the breadth of our consultation and the quality of the reports back. I would hope that we can take another step forward this fall. There were some good comments made around the room that I will certainly take seriously.

[1020]

In terms of where you have your meetings, of course, that is your decision as a committee and Chair. I know that you will set them up having heard some of the ideas here about the aboriginal community and, in particular, multicultural translation. I think those are very important issues.

If we are missing some groups, let's think about how we can broaden it. Using the Web is one way that we are trying to reach out to the community as a whole. But I think that as with all official committees, there's sometimes a hesitancy on the part of individuals to come forward and make their presentation or they're not comfortable doing it in public. So we have to find ways, whether it's e-mail, website, written submissions, that people can participate, even if they're not comfortable doing it in the public forum. Any way that we can

improve the breadth of our consultation, I'm very supportive of, and I hope to work with you on that.

I do have the responsibility of balancing the budget by legislation, so I also must ensure that as we go out for this conversation with the public in terms of how you might build a budget, that is the premise from which we start. Yes, there are a multitude of needs that are out there in the community. As I've said with every budget I put together, we just simply can't do everything we want to do all at once.

How we pace our initiatives, where we focus our initiatives — that's part of the reason we're going out for the public consultation. It is a big part of the consultation process that we do talk about — whether it's tax reduction, debt reduction or increased spending — and try to present in a way that people understand the choices and trade-offs we are forced to make as we build a budget.

I have heard a number of good suggestions here that I will certainly take into account. I wanted to do this meeting before we started to work on what the paper looks like for the fall, so I appreciate the input and appreciate your time today.

B. Lekstrom (Chair): Thank you very much again, minister, and likewise, we appreciate your time. Your input has been very helpful.

I want to thank the committee members for their input. It was an idea that was brought forward by members last year following the process: that we could meet with you prior to the development of this year's paper. Hopefully, it has been somewhat helpful.

We do have a couple of other agenda items that we are going to deal with today. We have item two, which will be the public hearing schedule and logistics around development of our schedule for the fall.

L. Krog: Conscious of the fact that there are, in fact, British Columbians who will be watching, and only for the purpose of ensuring that dates that are discussed here do not get fixed in some people's minds and thereby lead to confusion and perhaps some people missing potential dates, I would move that we go in camera for this portion in order to settle on a list of dates, lest there be any confusion in the public mind about what the actual, so-called official schedule might be.

B. Lekstrom (Chair): Okay. We do have a motion, seconded by Dave. We will vote on this motion. Should we go in camera, we will rise and report. I do agree that

these are just tentative dates that we are going to have for discussion. To avoid the confusion, this may be appropriate — and then rise and report the conclusion.

Motion approved.

The committee continued in camera from 10:24 a.m. to 10:46 a.m.

B. Lekstrom (Chair): We are now back in public session. Just a brief report.

What we dealt with during the in-camera portion was our discussion regarding the upcoming prebudget tour, in which we consult with British Columbians. We have put together a preliminary schedule. We now have our staff working on the logistics as to what can take place in the bookings.

Once we have finalized those dates and locations, we will make available to the public all of those time frames and locations and begin the process of taking bookings — probably some time around the first of September, I would suggest.

Now, we do have two other items on our agenda. Quickly, item three is the schedule of appearances by the statutory officers regarding their budgetary estimates. It would be my intent as Chair of the committee to schedule those following the 15th of November, upon the deposit of our report on finance. If that's acceptable, I will work with our subcommittee and present to our committee some time in early September, hopefully, a schedule for the following of November 15 for those statutory officers.

Also, under other new business, we do have the Report to the Select Standing Committee on Finance and Government Services for the Office of the Auditor General's audit that was done. We had released that and tendered it some time ago. Grant Thornton, the independent auditor of the Office of the Auditor General, has submitted its report to the committee. The document will be distributed electronically to the members for review at a later date. That is for your information. I have just received a copy here this morning. We will get that to each member of our committee, and we will be able to discuss that at a future meeting.

With that, I will move to members of our committee to see if there is any other business to be brought before us here this morning. Seeing none, a motion to adjourn.

Thank you very much, everybody.

The committee adjourned at 10:48 a.m.

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Published by British Columbia Hansard Services, and printed under the authority of the Speaker by the Queen's Printer, Victoria. Rates: single issue, \$2.85; per calendar year, mailed daily, \$298. GST extra. Agent: Crown Publications Inc., 521 Fort St., Victoria, B.C. V8W 1E7. Telephone: (250) 386-4636. Fax: 386-0221.

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